

Message Text

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ACTION PM-07

INFO OCT-01 AF-10 ISO-00 CIAE-00 DODE-00 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 AID-20 MC-02 IGA-02 EB-11 OMB-01 TRSE-00

NEA-10 DRC-01 /132 W

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R 061507Z MAR 74

FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 7919

INFO USCINCEUR

S E C R E T ADDIS ABABA 2557

E.O. 11652 GDS

TAGS: PFOR, MASS, ET, US

SUBJ: THE FY-74 MILITARY ASSISTANCE PROGRAM

1. WE EXPECT THAT IT WILL NOT BE VERY LONG BEFORE THE NEW GOVERNMENT WILL WISH TO ASCERTAIN THE CURRENT STATUS AND PROSPECTS OF THE US MILITARY ASSISTANCE PROGRAM. IT IS LIKELY TO BE AMONG THE FIRST SUBJECTS OF MAJOR IMPORTANCE WHICH THE EMBASSY DISCUSSES WITH THE NEW GOVERNMENT AND THE IMPRESSION MADE ON THE NEW PRIME MINISTER AND HIS CABINET WILL BE SIGNIFICANT FOR THEIR APPRAISAL OF US-ETHIOPIAN RELATIONS.

2. WE ARE IN A VERY POOR POSTURE AT PRESENT TO DISCUSS THE STATUS OF THIS PROGRAM. ALTHOUGH THE MAP LEVEL FOR FY-74 IS HIGHER THAN IN PRECEDING YEARS, WE ARE FAR BEHIND OUR RECORD IN RECENT YEARS IN TERMS OF DECISIONS, DISCUSSIONS WITH THE ETHIOPIANS AND ACTUAL DELIVERIES. ALL WE CAN REALLY DISCUSS WITH CONFIDENCE IS THE MAP GRANT LEVEL FOR FY-74. ALTHOUGH WE HAVE BEEN AUTHORIZED TO DISCUSS THE CONTENT OF THE GRANT PROGRAM, SUCH DISCUSSIONS CANNOT BE FRUITFUL, IN VIEW OF INTER-RELATIONSHIPS BETWEEN THE TWO PROGRAMS, UNLESS WE KNOW MORE ABOUT THE CONTENT OF THE FY-74 CREDIT SALES

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PROGRAM. ON THE CREDIT SALES PROGRAM WE CANNOT AS YET PROVIDE THE IEG WITH INFORMATION REGARDING THE LEVEL, THE

TERMS, OR THE CONTENT. IF THE IEG INQUIRES AGAIN ABOUT THE URGENTLY NEEDED OVERHAUL OF HMS ETHIOPIA, WE MUST ALSO CONFESS LACK OF INFORMATION ON THAT SUBJECT.

3. WE BELIEVE THAT THE MAJOR ISSUES NOW AWAITING DECISION IN WASHINGTON MAY BE THE QUESTION OF SIDEWINDERS AND THE QUESTION OF WHETHER TO REQUEST SOME QUID PRO QUO FROM THE IEG REGARDING INDIAN OCEAN TASK FORCE SUPPORT IN RETURN FOR CREDIT.

4. WITH REGARD TO SIDEWINDERS, WE SET FORTH OUR VIEWS AT SOME LENGTH IN ADDIS 1154 AND HOPE THAT THIS ISSUE CAN VERY SHORTLY BE RESOLVED.

5. AS FOR THE QUESTION OF REQUESTING A QUID PRO QUO FOR THE INAUGURATION OF A CREDIT SALES PROGRAM IN FY-74, WE DO NOT KNOW JUST WHAT ETHIOPIAN CONCESSION IS BEING CONSIDERED. WE WISH TO POINT OUT, HOWEVER, THAT THE TENTATIVE PROGRAM WHICH AMBASSADOR ADAIR OUTLINED TO THE EMPEROR IN SEPTEMBER INCLUDED A \$5 MILLION CREDIT SALES PROGRAM FOR WHICH NO COUNTER-CONCESSION WAS REQUESTED. IF WE NOW SEEK TO MAKE THE \$5 MILLION CREDIT PROGRAM CONDITIONED ON CONCESSIONS BY THE IEG REGARDING INDIAN OCEAN TASK FORCE SUPPORT, WE MUST IN ALL PROBABILITY ANTICIPATE THE FOLLOWING DISADVANTAGES:

(A) THE UNWILLINGNESS OF THE USG TO LIVE UP TO ITS PRE-
DICTIONS OF LAST SEPTEMBER, WHICH HAVE BEEN REGARDED BY
IEG LEADERS AS HIGHLY DISAPPOINTING, WILL AUGMENT DOUBTS
WHICH IEG LEADERS ALREADY HAVE REGARDING THE VALUE AND
RELIABILITY OF US SUPPORT.

(B) IT APPEARS MOST UNLIKELY THAT THE IEG WOULD AGREE FOR
THE SAKE OF \$5 MILLION WHICH IT IS ALREADY COUNTING ON TO
MAKE SIGNIFICANT CONCESSIONS REGARDING INDIAN OCEAN TASK
FORCE SUPPORT INVOLVING WHAT IT CONSIDERS SERIOUS LIABILITIES

IN ITS FOREIGN RELATIONS.

(C) NEGOTIATIONS DESIGNED TO OBTAIN SOME QUID PRO QUO FROM
THE IEG IN RETURN FOR A \$5 MILLION CREDIT SALES PROGRAM
WOULD ALMOST SURELY EXTEND OVER A PERIOD OF TIME AND THUS
FURTHER POSTPONE DISCUSSIONS WITH THE IEG REGARDING THE

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CONTENT OF THE MAP AND CREDIT PROGRAMS.

6. IN THE ABSENCE OF STRONG COUNTERVAILING FACTORS, THE
FOREGOING CONSIDERATIONS
SUGGEST THE DESIRABILITY OF PRO-
CEEDING WITH THE \$5 MILLION CREDIT PROGRAM FOR FY-74 AS
PREVIOUSLY PLANNED AND OF CONSIDERING A QUID PRO QUO ONLY
IN RELATION TO ADDITIONAL CREDITS FOR FY-74 OR TO THE FY-75
PROGRAM. WYMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, MILITARY ASSISTANCE PROGRAMS, ANNUAL REPORTS, CREDIT PROGRAMS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ADDIS02557
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: ADDIS ABABA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740365/aaaacimw.tel
Line Count: 114
Locator: TEXT ON-LINE
Office: ACTION PM
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 AUG 2002 by WorrelSW>; APPROVED <06 JAN 2003 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THE FY-74 MILITARY ASSISTANCE PROGRAM
TAGS: PFOR, MASS, ET, US, IEG
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005